

STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2002

	Month Ended 8/31/2002				Month Ended 7/31/2002				Current	Prior Year	3 Years	5 Years
	Allocation				Allocation				Fiscal YTD	FY02	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net	Net	6/30/2002	6/30/2002
LARGE CAP DOMESTIC EQUITY												
<i>Structured Growth</i>												
AllianceBernstein	98,142	2.1%	2.3%	2.47%	95,836	2.1%	2.3%	-7.10%	-4.82%	-28.65%	-16.80%	N/A
Russell 1000 Growth				0.30%				-5.50%	-5.22%	-26.49%	-16.15%	N/A
<i>Structured Value</i>												
LSV	109,024	2.3%	2.3%	0.35%	108,775	2.4%	2.3%	-8.45%	-8.14%	2.41%	5.40%	N/A
Russell 1000 Value				0.75%				-9.30%	-8.62%	-8.96%	-2.92%	N/A
<i>S&P 500 Index</i>												
State Street	462,918	9.9%	10.5%	0.66%	459,877	10.0%	10.5%	-7.77%	-7.16%	-18.03%	-9.27%	3.58%
S&P 500				0.66%				-7.80%	-7.19%	-17.99%	-9.18%	3.67%
TOTAL LARGE CAP DOMESTIC EQUITY	670,084	14.3%	15.0%	0.87%	664,488	14.4%	15.0%	-7.79%	-6.99%	-16.89%	-8.30%	3.74%
S&P 500				0.66%				-7.80%	-7.19%	-17.99%	-9.18%	3.67%
SMALL CAP DOMESTIC EQUITY												
<i>Manager-of-Managers</i>												
SEI	208,472	4.4%	5.0%	0.75%	207,054	4.5%	5.0%	-13.68%	-13.03%	-11.77%	N/A	N/A
Russell 2000 + 200bp				-0.09%				-14.93%	-15.01%	-7.96%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	208,472	4.4%	5.0%	0.75%	207,054	4.5%	5.0%	-13.68%	-13.03%	-11.69%	2.22%	4.32%
Russell 2000				-0.26%				-15.10%	-15.32%	-8.59%	1.67%	4.44%
CONVERTIBLES												
TCW	471,065	10.0%	10.0%	1.76%	444,712	9.6%	10.0%	-7.22%	-5.58%	-20.37%	-2.22%	N/A
First Boston Convertible Index				0.54%				-6.25%	-5.74%	-12.44%	0.11%	N/A
INTERNATIONAL EQUITY												
<i>Large Cap - Active</i>												
Capital Guardian	455,917	9.7%	10.0%	-1.43%	430,679	9.3%	10.0%	-10.19%	-11.47%	-12.10%	-2.96%	2.87%
MSCI EAFE - 50% Hedged				-0.24%				-10.04%	-10.26%	-14.62%	-7.32%	-1.89%
DOMESTIC FIXED INCOME												
<i>Core Bond</i>												
Western Asset	1,227,960	26.2%	25.0%	2.62%	1,240,757	26.9%	25.0%	-0.21%	2.41%	8.36%	8.53%	7.80%
Lehman Aggregate				1.69%				1.21%	2.92%	8.62%	8.10%	7.57%
<i>Index</i>												
Bank of ND	658,665	14.0%	15.0%	2.30%	666,968	14.4%	15.0%	1.32%	3.64%	8.38%	7.79%	7.42%
Bank of ND CD'S	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	5.04%	5.55%	5.48%
Total Index	658,665	14.0%	15.0%	2.30%	666,968	14.4%	15.0%	1.32%	3.64%	8.14%	7.66%	7.30%
Lehman Gov/Corp				2.24%				1.20%	3.47%	8.24%	7.86%	7.47%
<i>BBB Average Quality</i>												
Strong	484,385	10.3%	10.0%	3.38%	485,266	10.5%	10.0%	-1.70%	1.62%	N/A	N/A	N/A
Lehman US Credit BAA				3.56%				-2.23%	1.25%	N/A	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	2,371,009	50.6%	50.0%	2.69%	2,392,991	51.8%	50.0%	-0.08%	2.60%	7.55%	7.88%	7.42%
Lehman Gov/Corp				2.24%				1.20%	3.47%	8.24%	7.86%	7.47%
CASH EQUIVALENTS												
<i>Bank of ND</i>												
Bank of ND	513,593	11.0%	10.0%	0.16%	477,931	10.3%	10.0%	0.16%	0.32%	2.41%	4.76%	4.99%
90 Day T-Bill				0.14%				0.15%	0.29%	2.63%	4.68%	4.84%
TOTAL BONDING FUND	4,690,140	100.00%	100.00%	1.60%	4,617,855	100.00%	100.00%	-3.47%	-1.92%	-2.86%	2.87%	6.19%
POLICY TARGET BENCHMARK				1.25%				-2.94%	-1.73%	-1.19%	2.83%	5.77%

NOTE: Monthly returns and market values are preliminary and subject to change.